FINDS SOVIET RULE FAILURE

Communist Who Left the United States to Enjoy Benefit of Lenine's Theories Now Realizes His Mistake—Russian Trade May Be Stagnant for Years

THE writer of the dispatch which follows is well known to readers THE NEW YORK HERALD. Capt. Francis McCullagh, now again observing the course of events in Russia for this newspaper, is the Copyright, 1922, by The New York Herald. dent who in March, 1921, startled the world by cabling to THE NEW YORK HERALD exclusive news of



the renunciation of Bolshevism bu

carclusive news. He will send to The where or how.

New York Herald articles by cable and by mail at frequent intervals.

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Some of this material has already arrived and will be published immediately. To-day's contribution tells of the disillusionment of a Communist, alive and sees him as the logical successor to the throne despite his pieces of society which his theories led him to believe existed there.

Iton but have never supplied details where or how.

His mother, the aged Maria Feodorics. China has also recently where or how.

His mother, the aged Maria Feodorics of the war would ever the son of the Carwood as a possible successor to Michel. Dmitry as representative, and the war would ever the son of the carwood as a possible successor to Michel. Dmitry was regarded as a possible successor to Michel. Dmitry as admitted an independent Poland.

These two great factions are now grouped together under a common had autorically and reliefy. It is easy to imagine too that silve store the first two stages would have a popular as one of the conspirators to investigate the pullically, economically and reliefy. It is easy to imagine too that successor to Michel. Dmitry as propher and autorical where or how.

His mother, the aged Maria Feodorics of the making of silk manufacturers and wave admitted an interpolation, each it was uncertain and unce beian marriage to the daughter of a discal state of society which his theories led him to believe existed there. He was crucilly disappointed and wishes he had known when he was well off.

By Capt. Francis M'Cullagh.

Beian marriage to the daughter of a discalling the ferences which to-day divide the Russian monarchists among themselves. It was doubtless out of consideration for her rather than because of any real belief in his being alive that prince Cyril mentioned Prince Michel.

Beian marriage to the daughter of a Moscow lawyer.

This is indicated in the sert of differences which to-day divide the Russian for her rather their next congress in September at like and the to transfer their heads much in politics, but has been shackled much in politics, but has been shackled there.

Cyril, for example, is regarded by many monarchists as disqualified for all the principles of divine rights which the house of Romanoff and its but since the German Government of the money market resulting their next congress in September at like in next congress in September at their next congress in September at t

the repair of the airplane employers

He was a Lithuanian called Anoph- Sverdlov, now chairman of the comreus Karalas, an engineer by profes- mittee for the reconstruction of Soviet ably been deported by the American ting fills the Soviet Government with nothing could be done. Government, though he does not say a contempt amounting almost to pity.

On Sept. 25, 1920, he entered Moscow really afraid of is the Socialist-Revoon behalf of the American Society of lutionary party, which is very large, Technical Aid for Soviet Russia; but well organized, and served by ce in Russia cured him who are as competent at plotting as completely of Communism, and now he is leading a peaceful bourgeois life write one of the most crushing expores of Russian Communism in prac-

Karalas saw Lenine in April, 1921. ing been then, according to all appearances, in thoroughly robust health. He addressed a rousing speech to the Communist Committee of which Karin his words or his manner gave any which was so soon to strike him down. Came From America. That illness is the same as that which seeds of it were probably sown in both a shrewd the specify assistance of for- theory. eign capital, these companies cannot

Northeva, Under Suspicion,

TWO PRETENDERS TO RUSSIAN CROWN DIVIDE THEIR MONARCHIST FOLLOWING

BOTH SEEK ROMANOFF SCEPTER

Grand Duke Cvril Recently Asserted His Rights to the Throne, Subject to the Possible Reappearance of Prince Michel, Supposedly Dead

By SANFORD GRIFFITH.

New York Herald Bureau. | Berlin, Sept. 9. USSIAN monarchists have dis-

covered that the strength of Nikolai Lenine, Capt. McCullagh's dispatch, which was printed on March their members subordinating personal 19, was a report of a remarkable differences to conform to Communspeech made by Lenine to the Tenth |st party discipline. The Communist Congress in Moscow. archists who until this year have been Lenine said, in brief, that the idea of divided into a dozen different factions world revolution was madness, that have now agreed to bury their particular Russia could not progress without lar differences as far as necessary to foreign assistance and that she must present a united front to the outside Government in Vladivostok. But Gen. record shows him to be an opportunist wake agreements with capitalist gov- world. They formed a Central Mon-Nicholai does not propose to make an rather than the out and out conserva-

granting of passports and visas to Czar's Uncle Not Eager

GRAND DUKE CYRIL VLADIMIROVITCH GRAND DUKE D MITRY

forcign assistance and that she must make agreements with capitalist 90% or members of the outside of the conference last all and have shock not only to neuspapers whose correspondents were less alert and well informed but to official circles as ucil. For three days denials proceed from "weel informed and to official circles as ucil. For three days denials proceed from "weel informed part to the work Rosense of the counties of the work of Russian are cousins of the correctness of The New York Rosense of the work together at the single part of the work together and the state of the work together at lesst as long as anti-monarchist Government by the state of the conference last fall, and have agreed to work together at lesst as long as anti-monarchist Government by the conference in the conference is a state of the conference is the conference is a state of the conference is

in the old Russian code which provides in the parents of the Czar must be supporters have always represented.

Meither of these pretenders to the many of the Romanoffs, Vladimir, crown of All the Russian can be said many of the Romanoffs, Vladimir, crown of All the Russian can be said position recognising the Sault for all the principles of divine rights monarchist Bavaria than elsewhere. But since the German Government effect. Our ethics seem rather like a transformation that monarchist Bavaria than elsewhere. But since the German Government effect. Our ethics seem rather like "new wine in old bottles."

Neither of these pretenders to the masses, and ber money system, which is terribly hard. The Real Doy This New York Herald Started with me for started with the crown of the Czar must be supporters have always represented.

There is a mistaken notion that the parents of the Czar must be supporters have always represented.

Neither of these pretenders to

popular vote in the white Russian circles, especially in court ones. His summed up as a return to the old or- Romanoff

not expect the old, hard bitten Bolthe newcomers doing any work at all, shevik fanatic to remain within the terminable and impossible, so that the out it will naturally develop an exhungry and bitterly disappointed treme hatred of the Moscow Govern-Americans took to selling the ma-ment and profess to be anti-Bol-

American engineer-denounces as a time and money and human energy from start to finish. A Bolshevik Government electrification committee, conthe Gulf of Finland, north of Petrotrical purposes in Buffalo; all the Russian railways were to be electrified, and great centers of electrical

fact that the plans for the Ladoga the Czar's Government, which would thumb of the

more hopeless. The Bolsacvik trade and Col. Boyle of the Shell Oil, it can-unions were hostile and objected to not expect the old, hard bitten Bol-ment in the Russian situation, as the ment in the Russian situation, as the

> ers have no money wherewith to start their factories.

Condemned as Bad

Of that Government and all its works and pomps. Karalas uses unprintable language—a good deal of which is applicable for it refers to the which is applicable. The Bolshevik Government has now spent practically all its gold and has a severe illness; she can hardly digest only fifty million pounds sterling (£50, 000,000) of platinum, and jewelry it is nonsense to think that she can Meanwhile, wide awake Japan is forging ahead, silently realizing that her ascendency in trade will mean more vate property), worth perhaps another consequently America might recognized for the best methods of this industry.

China days has had ancient newsports and powers and powe

many newspapers in Europe and think, that such a loan is a matter of America commented favorably on life and death to them as a Government. The only scheme of theirs which Scheme, but, unfortunately, these Co Operatives are not independent organ- instead of a help. had remained in Moscow Government has been advance phreus Karalas. ade, nor the intervention, but simply successfully if it had remained in Moscow Government has been advanced the Nikolaevsky raliway station of the Communist system, and he power. The plans and specifications ing gold to them for trading purposes, and seeks through them to establish

Dmitry Is Popular Conspirators Who Put an End to Rasputin, the Fanatic Monk Who Ruled the Czarina

der of things in Russia. They are Great Russians. They would not recognize the freedom of the Baltic prov-inces, and only in an ambiguous form that of Poland. They would set up Orthodox Church again along the old ines and attempt to restore land titles

Movements Within

are Cadets and even moderate Intellectuals of Social revolutionary hearings. The right wing is represented ings. The right wing is represented in the world very developed.

There are now more than 10,000 of human nature, with a New York-miles of railway in China, compared or's keen sense of business, tried to compare the Far Eastern commercial

sion, 30 years of age, though he looked considerably younger, and evidently a don, and Sverdiov approved of it. well informed and competent man. Prozor, the head of the railways, also trucks on a rusty and grass grown attempt to put things right will be into the fact that though few factories are now working the fact that they were transfer to the fact that they were the fact that they were transfer to the fact that they were transfer to the fact that they were transfer to the fact that they were the fact parative tables that industrial produc to lend thinks pensable articles were similarly and for the same reason left unbought.

Now for American Goods

This knocks on the head the con- employment of Malays and Chinese. he newcomers doing any work at all. shevik fanatic to remain within the Soviet has no money wherewith to pay tention of those who maintained that In short, the muddle was awful, in- fold. though when that type gets put its debts and the foreign factory owncannot buy even her own manufac-

country can advance loans to Soviet. trading with Russia, but for many England had undertaken at Genoa to years to come this will do no percepfinance its own merchants doing Rus- tible good, and the economic situation sian trade to the extent of 30,000,000 will remain much where it is to-day, pounds, and it has now agreed to raise It is certain that the economic recovonly be advanced to approved British cess. Why, at present Russia is even

lose all moral and material power over its own citizens accounts for the extreme insistence with which at Genoa, import of grain show that he had mis
But the realize what might happen it ever these people realize their strength.

But the wall of Chinese prejudice like treme insistence with which at Genoa, Tchitcherin, Litvinov, and Rakovsky claimed a direct loan from Great Britania.

The thought then, and they still the the great wall of Chinas has given t Europe for the next ten years. On the contrary Russia will, during that time. China a realization of the big world cooks at all hopeful is the Co-Operative need to be fed and supported by the outside. She will be a hindrance outside world. She will be a hindrance The o

he would undoubtedly be imprisoned. If not put to death. Finally the Russian Government prevalled on Downing Street to send Northeva to Moscow Northeva and in Moscow Northeva and I shall shortly as a system of "Government Capitalism." Iter are well in the Moscow and in Moscow on which the Bolshevike electricians and eachs through them to establish and eachs through them in good to them for trading p more hopeful view, and I shall shortly meet now at the cross-roads of com-let them speak for themselves in the merce; a China that is undergoing and customs the almond eyed people leaving the readers of that paper to looms ponderous like a comical Fal-patience and politeness, if treated form their own conclusions from all staff blended with the dignity of a right, and with them, the American

U. S. IS CHINA'S VALUED FRIEND

as One of the Our Unselfishness Is Appreciated in the Orient, Where the Warning "Asia for the Asiatics" Is beginning to Be Heard Because of Foreign Encroachment

By RICHARD T. MONCURE.

civil warfare are hardly more Movements Are Many China, since the Far East to-day for other countries stand hawk eyed The Constitutionalists, called the offers a tremendous market for American hampered by Monroe Dectrine rise several different movements and China is bound to be the greatest for- States owes the cordiality with which

by lefflmovsky, a Moscow lawyer, for- with 6,500 in Japan, and as this facil- corner the

inaugural address said: "We know China is hopelessly dependent not buy, and we cannot sell successfully where we do not carry," he tapped the root of the shipping problem, since sources and wink likewise at oping Karalas left Lithnania young, lived a year and a half in Liverpool, England, and spent thirteen years in the United States. He entered Valparaise University. Indiana in 1911, and remained there till 1915, after which he leet in 1916, after having taken the electrical engineering course there. Getting employment in the electrical engineering course there. Getting employment in the electrical engineering the event which his estate that they were all though it at once and refused Karabas tried to escape, but there is overproduction owing to the fact that they production owing to the fact that the people are too poor to alsorb the very limited to mean the fact that the people are too poor to alsorb the very limited to mean the fact that the people are too poor to alsorb the every late of Communists from the fact that the people are too poor to alsorb the every limited tile. Shipping Board tage, the fact that the people are too poor to alsorb the every limited tile. Shipping Board the Shipping Boar

different basis from England, for wher- the Yangtze River taps the he ever the British pound goes there fol- that vast area known as lows the Union Jack with its protec-tion, since the Old Lady of Threadneedle tributes over 29,000,000 gallons Street is seldom caught napping. The United States must realize that ships can be built on the Clyde cheaper than can carry cheaper than the American Shipping Board because no labor prob-iems regulate their crews to forbid the strange, since cotton is a product of

tured goods, so that if an American chinery and sending their money to manufacturer dumps down in Petro- China, where labor problems do not limited in beef, Mongolian mutton, Plan

Its Hoard of Gold will never be sold. Russia is in the production of factories as in the States; hence the cry already goes up of the spent practically all its gold and has severe illness; she can hardly digest white Peril" in China, and "Asia for throngs of natives, but a Government through the country and eggs. In pountry and eggs, huge cotton mills, where not only weaving and spinning employ vast throngs of natives, but a Government throngs o

political privileges, while hoary China now being introduced, replaces the old rubs her eyes after a Rip Van Winkle style of writing the stimulus to modseemed changeless, colossal, for her leave a custom house; the French a possibilities stagger conception.

It is a scene for study and surmise,

on. The population of China is 400,- China-while the Premier Iron Belgium, the Netherlands and Italy combined. Not until one has pene-

seer: a China of whum America knows holds first place as a friend,

HE factional strifes in China little but which Gautier and Leti apthat cause political unrest and preciated-a China almost preserved in amber-a moving pageant of Ori-ental splendor-dignified by philosothan the fights between the kites and phy—having felt the impress of crows when compared with the great Buddha, Mahomet and Christ—but a opportunities for foreign capital in China which if dismembered, would its citizens are received in the Far

to Come in Industry not being stabilized, offers opportunity China herself has high ideals and for squeeze which is the key of mos when her domestic system gives way Eastern trading.

which started with me for Moscow yesterday, but which broke down here, I met a specimen of a form here in the popularity and is highly esteemed a specimen of a form here in the popularity and is highly esteemed as a specimen of a form here in the popularity and is highly esteemed as a specimen of a form here in the spoiled a clever scheme of Karalas' for leaving Russia for the United summarise in the spoiled a clever scheme of Karalas' for leaving Russia for the United stant failth to the Orthodox Church as in Russian monarchist parties.

The monarchists have therefore destant failth to the Orthodox Church and is highly esteemed in Russian monarchist parties.

The monarchist have therefore destant failth to the Orthodox Church and is divided even inside the various monarchist parties.

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The monarchist have therefore destant failth to the Orthodox Church and the properties and exporters trade on a Russian monarchist parties.

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The monarchist have therefore destant failth to the Orthodox Church and the properties and exporters trade on a Russian monarchist parties.

The mandarins, officers and politicians will

likewise Japan and Holland.

Be it understood that we deal on a touching at Hankow, which the of course, remains the premier

England also holds first place as to ranks first as to oil. China imports Dreaded by Asiatics \$300,000,000 worth of cotton goods alone, while she exports only about 27 per cent, of the world's silk. The he Asiatic."

Meanwhile, wide awake Japan is to perfect the youth of the land as to

saying prevalent has been: "The Ger-

visible in longitudinal strata, making mining exceedingly easy.

tion of Shanghai alone is represented The old East, the Par East, is lift. mall system now prevalent in China. nstead of a help.

This, at all events, is the view taken by many people including disappointed oil has literally become the "Light of have made the letter-writing of the New York Henald, great changes overnight, a China that of the Far East are marvels of both

the Bolshevists themselves. Trotzky sees that the Socialist-Revolutionaries on his little estate in Lithuania. He has found time to organize a battalion have a greater chance than any other Lithuanian Boy Scouts, and also to non-Bolshevik party in Russia of over-ite one of the most crushing expo-throwing the Soviet Government, for they have all the revolutionary cries of the Communists, and claim to have a more sensible program which would never have landed Russia in her present economic mess. Hence the mercitoward the Social-Revolutionary con-

world.

cases by overwork. Karalas also saw count of the arrival in Russia, a year Trotzky about the same time, and or two ago, of large numbers of Amerihigh idea of his energy and can Socialist workmen, only very few of Russian politics, he thinks that most of them being Russians and Trotzky is very anxious for Soviet Lithuanians settled in America. Russia to come to terms as soon as Twenty-five thousand of these encapitalists. This thusiasts came from the States in the proped financially in a good many only one American engineer among mpanies which have been formed in them and he soon became very disaccordance with the new Foviet laws gusted with the Soviet way of doing regarding commercial enterprises; and, business, and finally conceived a vio-being a shrewd man, he sees that, lent dislike for the whole Communist

place in the case of the American them from America. Steklov accepted workmen, who came at the same time, this proposal and wrote several arti-Was Sent to Prison
Among other prominent Bolsheviks with whom Karalas associated in Moscow was Northeva, the Finnish Bolshevik about whom there was a good deal of discussion in the summer of 1920, when Krassin first went to London. On that occasion Northeva, who was in Canada, wanted to Join Krassin, but the change in the summer arrested by the British auditous workmen, who came at the same time, and there is not one of the Russia. The magnitude and feasibility of the sentral committee of trade unions, which approved of it, with the result that immigration from Most of them, like Karalas himseit, would give all they possess to be back that the plans for the Ladoga as the pression on America is now stopped save with the permission of that central committee. Karalas, though yesterday a Communist, is severer on Russian Communist. The magnitude and feasibility of the sented it to the central committee of trade unions, which approved of it, with the result that immigration from America is now stopped save with the permission of that central committee. Karalas, though yesterday a Communist, is severer on Russian Communist, is severer on Russian Communist, but the plans for the Ladoga achieves and feasibility of the sented it to the central committee of the central committee. Karalas in the central committee of the central committee. Karalas in the central committee of the central committee. Karalas, though yesterday a Communist, is severer on Russian Communist, is severer on Russian Communist. The magnitude and feasibility of the sented it to the central committee of the central committee. Karalas in the central committee. Karalas is now stopped save with the promited in the central commit but was arrested by the British au about Communism, but the change in ple, that the famine was the rethorities, who announced their intentheir views began before they had sult, not of drought, nor of the blockion of sending him to Finland, where been twenty-four hours in Moscow.

the Edison Company, he was arrested by the American police for his Comists or Reactionaries. The explanamachinery of social life in Moscow ments—old land owners. Generals, Adtalist system, but he says that though machinery of social life in Moscow ments—old land owners. Generals, Adthey are trying hard to do so they munist activities and made to give \$2,000 bail, for he was at that time a pronounced Communist; and in 1920 fear of the Monarchist Russians, whose Bolshevik red tape tied up everybody in the outside fringe of Russia was Even if they are trying hard to do so they are trying ha amazing incapacity for effective plotand everything in so many knots that covered

What the Bolshevik leaders are Newcomers Were Not

chines they had brought with them shevik. and skedaddling right and left. Some of the skilled mechanics among them got jobs as hospital assistants. Motorists got into Government offices as spirators, whom it recently condemned clerks, factory hands obtained em despite the protest of all Socialism in ployment as unskilled laborers, and w with a fervor that could not be surbut Was Disillusioned shevik in America, and tried in vain Karalas gave me an interesting aclaters" and smugglers, though speculation and smuggling were then two of nist catechism. As a result of this Illegal activity many of they were ar-

Communism worse than ever. state of things to Steklov, editor of the gration from America should stopped till the immigrants could be ent dislike for the whole Communist ping into the kind of factory to which they had been accustomed, and bring-line in the case of the American

himself. The grand scheme of electribadly carried out, an utter waste of elaborate and optimistic report of that of Niagara has been utilized for elec-Moscow and at various points through-

in the outside fringe of Russia was Even if they allow the old factory covered with rejected and furious owners to return, those owners can do owners to return, those owners can do nothing, for their machinery is rusty erals. erals.

Now that Communism has collapsed,
Now that Communism has collapsed, Welcome as Workers Reval. Riga and Kovno are full of vik Government has no money to lend furious Bolshevik extremists who them. Karalas accordingly thinks When an attempt was made to start the returned Communists on engineerthe returned Communists on engineerting work the muddle became even cow takes to its bosom—as it has done
—capitalists like Mr. Leslie Urquhart

Soviet Has Spent All

vate property), worth perhaps another
fifty millions. That will not go far, nize Russia de facto and de jure and and neither England nor any other heavily subsidize American merchants political privileges, while heavy China siways has had ancient newspapers, but when the modern script, this figure to 90,000,000; but this will ery of Russia will be a very slow pro oncorns, and the Moscow Government importing grain, though, ten years will get none of it. That Government ago, she could export enough grain to will therefore find itself in the awk-ward position of being penniless while On this point the American State ward position of being penniless while ward position of being penniless while Department has always been pessi- England, France, Germany, Spain and in the country will have plently of mistic and right, while the enthusias-money; and its strong and justifiable tic Lloyd George has been invariably money; and its strong and justifiable the Lioyd George has been in the world, having seams from 27 to hordes of yellow faces, is it possible to realize what might happen if ever and anthracite deposits being plainly